IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

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C.W.P NO.17346 OF 2006

Date of decision : December 05, 2006

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M/s. A.K.M Construction .....Petitioner

Vs.

Union of India .....Respondent

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CORAM: HON'BLE MR. JUSTICE VINEY MITTAL
HON'BLE MR. JUSTICE H.S BHALLA

Present: Mr. Manohar Lal, Advocate for the petitioner(s).
Mr. Kamal Sehgal, Advocate for the respondents.

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Viney Mittal, J. (Oral)

Written statement, on behalf of respondents no. 1 to 3 has been filed in the Court today. The same is taken on record. A copy thereof has been supplied to the learned counsel for the petitioner.

The petitioner-Company has approached this Court challenging the demand notice dated October 10, 2006 and October 20, 2006 issued by Garrison Engineers (Project), Dappar Distt., Mohali-respondent no.2 whereby the demand for interest has been raised against the petitioner.

Mr. Manohar Lal, learned counsel appearing for the petitioner-Company has contended that originally as per the award rendered by the Arbitrator, various claims including claims no. 15, 16, 20 and 21 had been

allowed in favour of the petitioner. However, subsequently on an appeal/revision claims no. 15, 16, 20 & 21 had been disallowed.

In the meantime, the petitioner had received the amount claimed by him as awarded by the Arbitrator, including the amount of claims no. 15, 16, 20 & 21. The amount qua the claims no. 15, 16, 20 and 21 came to Rs. 8,40,000/- and in view of the disallowing of the aforesaid claims, the aforesaid amount of Rs.8,40,000/- was refundable by the petitioner. However, the demand raised by the respondents claiming interest on the aforesaid amount was wholly unauthorized and was not even legally sustainable on the principles of restitution.

Sh. Kamal Sehgal, learned counsel appearing for the respondents does not dispute the fact that originally the arbitrator had allowed claims made by the petitioner-Company but later on in appeal/revision claims no. 15, 16, 20 and 21 had been disallowed and as such the petitioner was liable to refund the amount of Rs.8,40,000/-

In view of the aforesaid fact, learned counsel appearing for the respondents states that only an amount of Rs.8,40,000/- shall be recovered by the respondents from the petitioner qua the claims which had been disallowed. For the recovery of the rest of the amount, the respondent would initiate the proceedings before the Civil Court, in accordance with law.

In view of the statement made by the learned counsel for the respondents, the present petition is disposed of as having become infructuous.

(VINEY MITTAL)
JUDGE

December 05, 2006
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(H.S BHALLA)
JUDGE